

Department of Planning and Budget 2001 Fiscal Impact Statement

1. **Bill Number** HB 1854

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. **Patron** McQuigg, Michele B.

3. **Committee** Health, Welfare and Institutions

4. **Title** Health; restaurant rating

5. **Summary/Purpose:** This legislation would require the development of a grading system for restaurant health inspections. The inspection grades would be posted in a conspicuous place within each restaurant. Regulations shall provide for revocation of the restaurant's license if it receives an unacceptable grade.

6. **Fiscal impact estimates:** see item 8

7. **Budget amendment necessary:** see item 8

8. **Fiscal implications:** The estimates identified in this fiscal impact statement are based on a combination of data from the existing restaurant inspection program in the Virginia Department of Health's local health departments and from other programs that have implemented grading and inspection provisions comparable to what this bill provides for. The existing food program conducts 62,048 restaurant inspections annually and experience from other states indicates that the posting of restaurant inspection grades, with provisions allowing for unlimited restaurant-owner initiated re-inspections will result in, at a minimum, a doubling of the current food program's inspection volume. This is because very few owners will be satisfied with any grade posted other than the highest ranking.

The number of inspections that an inspector can conduct in a single workday varies widely depending on the amount of travel required between restaurants and the complexity of each inspection (based on food borne illness risk factors such as the restaurant's food and food handling procedures). It is assumed that the additional owner-initiated re-inspections would take less time than initial inspections. However, no more than an average of six re-inspections per day on average is considered realistic when travel is factored in. On average, after removing average leave use, holidays and inspection reporting requirements, an individual "re-inspector" will have 200.7 workdays per year available for this purpose. This results in a need for 52 inspector positions statewide to meet the minimum expectation for increased restaurant inspection volume. The inspectors would be distributed among the 35 health districts statewide based on an analysis of the existing inspection volume.

The average salary per inspector is estimated at \$40,782 and fringe benefit costs including employee health insurance are estimated at 30% for a statewide personnel cost estimate of \$2,756,863 in FY

2002 and \$2,846,461 in FY 2003 assuming a 3.25% increase in personnel costs in the second year. Initial equipment costs in the first year would total \$182,000 or \$3,500 per FTE and would include a personal or portable computer, office furniture, telephone service, and inspection equipment. The replacement cycle for the computer and inspection equipment 4 years so \$35,100 per year is budgeted in FY 2003 and out-years. Travel and supplies average \$2,556 per inspector per year or a total of \$132,912.

Per the cooperative budget approach to local health department operations, the projected expenses and FTE's are split according to the statewide average general fund (60%) and locality match (40%) shares.

9. Specific agency or political subdivisions affected: Virginia Department of Health

10. Technical amendment necessary: None

11. Other comments: None

Date: 01/12/01/kwm

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cc: Secretary of Health and Human Resources

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